

Message Text

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TAGS: TECH, JA

SUBJECT: REGIONAL REPROCESSING

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FOLLOWING IN RESPONSE TO REF A) PARA 8

SUMMARY: KOREAN AEB SEEKING SECTOR OF NUCLEAR TECHNOLOGY FOR INDIGENEOUS INDUSTRIAL DEVELOPMENT SEVERAL YEARS AGO FOCUSED ON REPROCESSING STEP OF FUEL CYCLE. IN 1972 A KAERI-DEVELOPED PROSPECTUS FOR MULTINATIONAL REPROCESSING PLANT TO SERVE NORTHEAST AND SOUTHEAST ASIA ENVISIONED A JOINT VENTURE COMPRISED OF US, JAPAN, KOREA TO BUILD THREE TO FIVE METRIC TONNE PER DAY PLANT IN KOREA. AFTER FAILING TO AROUSE JAPANESE INTEREST OVER SEVERAL YEARS AND RECOGNIZING JAPANESE PARTICIPATION ESSENTIAL IN REGIONAL VENTURE OF THIS KIND KOREA NOW LOOKING TOWARD DEVELOPMENT OF OWN CAPABILITY THROUGH PURCHASE OF PILOT PLANT FROM FRENCH. SHOULD JAPAN AND US PICK JOINT VENTURE APPEARS LIKELY THAT KOREA WOULD AGREE TO SITE ANYWHERE WITHIN REASONABLE DISTANCE AND COULD DECIDE TO ABANDON FRENCH

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PILOT PLANT APPROACH AS DUPLICATIVE AND UNNECESSARY.

END SUMMARY.

1. THE KORAN NUCLEAR PROGRAM IS PREDICATED UPON 6600 MWE OF INSTALLED NUCLEAR CAPACITY BY 1986 CONSISTING OF TWO 600 MWE PWR'S TWO 600 MWE CANDU'S AND FIVE LWR'S FOUR OF WHICH 800 MWE AND ONE 1000 MWE.

2. THE KOREANS, DESIRING INDEPENDENCE FROM FOREIGN SOURCES FOR KEY NUCLEAR FUEL CYCLE ASPECTS, AND WANTING TO DEVELOP AND INDIGENEOUS INDUSTRIAL CAPABILITY IN SOME TECHNOLOGICAL AREA, SEVERAL YEARS AGO DECIDED UPON SPENT FUEL REPROCESSING AS A POSSIBILITY. THEY REASONED THAT COMPETITION IN REACTOR TECHNOLOGY AS IN CERTAIN OTHER SECTORS OF THE FUEL CYCLE WAS BEYOND THEIR TECHNICAL CAPABILITY AND TOO LATE IN TIME TO CATCH UP, BUT THAT WITH US AND JAPANESE FINANCIAL AND TECHNOLOGICAL PARTICIPATION AND THE LIKELIHOOD OF BRISK FUTURE BUSINESS FROM JAPAN, TAIWAN, PHILIPPINES AND KOREA, AND EVEN PERHAPS THAILAND, HONGKONG AND SINGAPORE IN THE MORE DISTANT FUTURE, SPENT FUEL REPROCESSING WAS A REASONABLE POSSIBILITY. OF SEVERAL STUDIES AND CONTACTS MADE DURING THE PAST THREE YEARS, THE ONE MOST CLOSELY RELATING TO THE SUBJECT STUDIES (REF B) WAS A PROSPECTUS FOR NUCLEAR FUEL REPROCESSING JOINT VENTURE PROJECT PREPARED BY KAERI, WHICH OUTLINED A JOINT US-JAPAN-KOREA COOPERATIVE ARRANGEMENT FOR A 3MT/DAY PLANT TO BE COMPLETED IN THE LATE 1970'S STRETCHABLE TO 5MT/DAY BY 1990 AS THE REQUIREMENT INCREASED. THE KEY TO THIS MULTINATIONAL PLAN WAS JAPANESE PARTICIPATION SINCE JAPAN'S REPROCESSING REQUIREMENTS DWARF ALL OTHERS HERE.

3. THE PROSPECTUS WAS DISCUSSED WITH THE JAPANESE AND ALSO WITH NISSEI, SKELLY AND GETTY OIL COMPANIES, THE LATTER BOTH BECAUSE OF TECHNICAL INTEREST AND BECAUSE OF AN ASSOCIATION WITH MITSUBISHI WHICH WOULD HOPEFULLY PROVIDE SOME LEVERAGE IN JAPAN. APPARENTLY EFFORTS TO INTEREST THE JAPANESE WERE UNSUCCESSFUL, ALTHOUGH STA DIRECTOR-GENERAL MORIYAMA REPORTEDLY CLOSELY APPROACHED FINALIZED A JOINT ARRANGEMENT FOR AN ISLAND SITE OFF THE KOREAN MAINLAND PRIOR TO HIS RESIGNATION. AT THAT TIME THE ARRANGEMENT WAS PRESUMABLY SHELVED. PRIOR APPROACHES HAD ACHIEVED SOME SUCCESS AT THE TECHNICAL LEVELS BUT NOT AT HIGHER POLITICAL LEVELS.

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4. IT IS ASSUMED THAT, FAILING IN REPEATED ATTEMPTS TO INVOLVE THE JAPANESE, CONVERSATIONS WERE INITIATED (OR RESUMED) WITH THE FRENCH FOR A PILOT PLANT BY MEANS OF WHICH THE KOREANS WOULD EDUCATE THEMSELVES IN THE TECHNOLOGY SO THEY COULD GO IT ALONE IF NECESSARY.

5. WHILE KOREANS REPEATEDLY EMPHASIZE THAT DESIRE FOR PARTI-

CIPATION IN REGIONAL VENTURE IS STRICTLY RELATED TO AMBITION TO BOOTSRAP NUCLEAR INDUSTRIAL CAPABILITY THEY ARE NOT UNAWARE OF US AND OTHER SENSITIVITY TO NUCLEAR WEAPONS IMPLICATIONS OF SUCH PLANT. KOREANS POINT OUT ADVANTIAGE OF ONE IAEA SAFEGUARDED PLANT OVER SEVERAL SMALL FAR-FLUNG, POSSIBILITY NON-SAFEGUARDED INSTALLATIONS.

6. KOREANS CLAIM THAT BECAUSE OF: 1) LARGE RECENT INCREASE IN URANIUM ORE COST, AND 2) DEPENDENCE KOREA UPON FOREIGN SOURCES OF URANIUM, THAT LONG TERM STORAGE OF SPENT FUEL AND CONSEQUENT LARGE FUEL INVENTORY WILL IMPACT BUS BAR COST BY 20 TO 30 PCT OR HIGHER.

7. WHILE SHIPPING DISTANCE NOT FIRST ORDER IMPORTANCE, NEEDED FOR MINIMUM PORT-OF-CALL DOES INFLUENCE REPROCESSING COST THEREBY TIPPING SCALE TOWARD JAPAN-KOREA-TAIWAN CENTER OF GRAVITY REGIONS AS MOST ECONOMIC.

8. WHILE KOREA WOULD ENJOY MAXIMUM MILEAGE TOWARD GOAL OF INDIGENIZATION IF PLANT DOMESTICALLY LOCATED, LOCATION APPEARS (REF C) NOT REPEAT NOT CRITICAL TO KOREAN PARTICIPATION.

9. IT IS BELIEVED THAT TIMING PRESENTS GOLDEN OPPORTUNITY TO PICK UP KOREAN PLAN AT LEAST AS BASIS FOR INITIATING PHILIPPINES AND EITHER PERMIT KOREA TO WITHDRAW FROM FRENCH ARRANGEMENT OR ALTERNATIVELY INCLUDE FRENCH FEASIBLE AND APPROPRIATE.

10. VIEWED IN REGIONAL CONTEXT JAPAN IN POSITION OF PROVIDING INADVERTANT LEADERSHIP. BECAUSE OF JAPAN'S RELATIVELY OVERWHELMING REPROCESSING REQUIREMENTS, JAPAN WILL, BY SELECTING ITS COURSE OF ACTION, DEFINE EVERYBODY ELSE'S ACCORDINGLY, FIRST ORDER BUSINESS TO ASSIST IN DEFINING JAPAN DIRECTION.

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11. APPROACH BY USG, JAPAN, OR OTHERS, IF SUCCESSFUL IN DEFUSING KOREAN INTEREST IN INDIGENOUS PLANT, WOULD ALSO TEND TO RELAX WIDESPREAD PUBLICLY STATED FEARS ABOUT KOREA INTENDING TO MOUNT NUCLEAR WEAPONS PROGRAM. CONVERSELY, KOREAN REJECTION OF APPROACH WOULD TEND TO CONFIRM PARK REGIME'S DESIRE TO PROCEED ALONG WEAPONS PATH IN LIGHT OF PRESENT TENSE POLITICS/

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